



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
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Union Bank, National Association, San Francisco, California, Assumes All of the Deposits of Frontier Bank, Everett, Washington

Frontier Bank, Everett, Washington, was closed today by the Washington Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Union Bank, National Association, San Francisco, California, to assume all of the deposits of Frontier Bank.

The 51 branches of Frontier Bank will reopen during normal business hours as branches of Union Bank, N.A. Depositors of Frontier Bank will automatically become depositors of Union Bank, N.A. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their former Frontier Bank branch until they receive notice from Union Bank, N.A. that it has completed systems changes to allow other Union Bank, N.A. branches to process their accounts as well.

This evening and over the weekend, depositors of Frontier Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2009, Frontier Bank had approximately \$3.50 billion in total assets and \$3.13 billion in total deposits. Union Bank, N.A. did not pay the FDIC a premium to assume all of the deposits of Frontier Bank. In addition to assuming all of the deposits, Union Bank, N.A. agreed to purchase essentially all of the failed bank's assets.

The FDIC and Union Bank, N.A. entered into a loss-share transaction on \$3.04 billion of Frontier Bank's assets. Union Bank, N.A. will share in the losses on the asset pools



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-101-2010

covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please

visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-823-4939. The phone number will be operational this evening until 9:00 p.m., Pacific Daylight Time (PDT); on Saturday from 9:00 a.m. to 6:00 p.m., PDT; on Sunday from noon to 6:00 p.m. PDT; and thereafter from 8:00 a.m. to 8:00 p.m., PDT. Interested parties also can visit the FDIC's Web site

at <http://www.fdic.gov/bank/individual/failed/frontier.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$1.37 billion. Union Bank, N.A.'s acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. Frontier Bank is the 64th FDIC-insured institution to fail in the nation this year, and the sixth in Washington. The last FDIC-insured institution closed in the state was City Bank, Lynnwood, on April 16, 2010.
